

House File 198 - Introduced

HOUSE FILE 198

BY HEATON and HEDDENS

A BILL FOR

1 An Act relating to Medicaid special needs trusts.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 633C.1, subsection 8, Code 2015, is
2 amended by striking the subsection.

3 Sec. 2. Section 633C.2, Code 2015, is amended by striking
4 the section and inserting in lieu thereof the following:

5 **633C.2 Disposition of medical assistance special needs**
6 **trusts.**

7 Any income or assets added to or received by and any income
8 or principal retained in a medical assistance special needs
9 trust shall be used in accordance with a standard that is
10 no more restrictive than specified under federal law. The
11 department shall adopt rules pursuant to chapter 17A for the
12 establishment and disposition of medical assistance special
13 needs trusts in accordance with this section.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with
16 the explanation's substance by the members of the general assembly.

17 This bill amends provisions relating to Medicaid special
18 needs trusts. The bill eliminates the definition of "special
19 needs of the beneficiary attributable to the beneficiary's
20 disability" which was the basis for the specifications for the
21 disposition of the corpus of the trust, and replaces these
22 specifications with a requirement that any income or assets
23 added to or received by and any income or principal retained
24 in a medical assistance special needs trust shall be used in
25 accordance with a standard that is no more restrictive than
26 specified under federal law for such trusts. The bill directs
27 the department of human services to adopt rules pursuant to
28 Code chapter 17A for the establishment and disposition of
29 medical assistance special needs trusts in accordance with the
30 specifications of the bill.